

Public Law 2009, chapter 402 – LD 1418 “An Act to Preserve Home Ownership and Stabilize the Economy by Preventing Unnecessary Foreclosures”

Public Law 2009, chapter 402 establishes a court-supervised mediation process in judicial foreclosure proceedings on owner-occupied residential properties of one to 4 units that are the primary residences of the owner-occupants. The mediation process is modeled after the program used in the State of Connecticut. Beginning July 1, 2009, the law allows the Supreme Judicial Court to implement the mediation program first in those judicial districts most affected by foreclosure filings, but requires the program to be implemented throughout the State by January 1, 2010. The mediation program applies to judicial foreclosure filings made after January 1, 2010 except in those judicial districts where the mediation program is implemented by the court on July 1, 2009. The court is authorized to establish fees to support the mediation program. The law also requires the Maine Supreme Judicial Court to submit a report by February 15, 2013 evaluating the foreclosure mediation program and authorizes the joint standing committee of the Legislature having jurisdiction over insurance and financial services matters to report out a bill based on the report to the First Regular Session of the 126th Legislature.

The law makes violation of provisions of the Maine Consumer Credit Code related to mortgage lending a violation of the Maine Unfair Trade Practices Act.

The law requires that the words "judgment of foreclosure and sale," the street address of the real estate involved and the book and page number of the mortgage be on a foreclosure judgment when filed in the registry of deeds.

The law requires notice to municipalities and owners of mobile home parks after foreclosure judgments.

The law requires at least 90 days' notice to tenants in judicial foreclosure proceedings and at least 21 days' notice to tenants in nonjudicial foreclosure proceedings.

The law describes what a mortgagee must include in a notice of foreclosure to a mortgagor.

More information on PL 402 may be found at LINK TO CONSUMER CREDIT:

<http://www.maine.gov/pfr/consumercredit/index.shtml>